

General Government

Administration, Department of

- The State of Idaho has the unique opportunity to acquire the Borah Post Office from the Federal Government in FY 2005. The acquisition will allow a consolidation of outlying government entities further streamlining state government and reducing the overall rental expense. The Governor's recommendation includes an increase in Facilities Services budget of approximately \$650,000 from receipts income for annual operating expenses of the building.
- The Governor's recommendation includes approximately \$2 million in one-time funding for repairs to the rotunda skylight and exterior stone repair. These critical repairs to the Capitol Building will seal the exterior envelope of the facility and retard weather intrusion into the interior structural components. The funding for these two projects would come from the Capitol Income Fund.
- Bonds were issued during FY 2004 to begin construction on seven of the eight projects approved by HCR 30 during the 2003 Legislative Session. The Governor's recommendation includes approximately \$4.8 million in dedicated funds for the first bond payment for these new projects.
- The Permanent Building Fund budget includes \$14 million for alteration and repair projects, \$800,000 for Americans with Disabilities Act compliance projects and \$400,000 for asbestos abatement projects. The Governor also recommends funding for three new construction projects: the Historical Society's phase II of the Idaho History Center, the Department of Administrations purchase of the portion of the Idaho Falls State Office Building currently owned and occupied by the Idaho Department of Labor, and a statewide long-term master plan for the Department of Correction.

Attorney General

- Due to an increase in litigation caseload, \$56,000 in General Funds is recommended for a paralegal for the Department of Finance in the Attorney General's budget. A significant amount of paralegal work has been generated due to cases like the Household International, Inc. settlement, the Rehoboth Bank challenge to Idaho Credit Code licensing and the *Department of Finance v. Robert McClung* case involving misuse of investor monies. Finance has established a policy goal to increase collection of court-ordered restitution for injured investors. The services of this paralegal will help further this goal and allow more efficient use of attorney time.

Governor, Executive Office of the

Liquor Dispensary

- Spending authority is provided for two additional shipping/receiving material handler positions in the warehouse; four additional FTP to open two additional liquor stores; and four additional stores clerks for understaffed stores.
- Funding is provided to purchase identification scanners to verify the legal age of younger customers.

Military Division

- The recommendation includes shifting 16 FTPs and \$19,792,800 in General and Federal funds from the Bureau of Hazardous Materials to the Bureau of Disaster Services in order to create a Bureau of Homeland Security. The new Bureau will plan, train and respond to domestic and foreign terrorist attacks and to centralize coordination and communication among preparedness response entities at the local, state, regional, and federal levels.
- A \$15,976,500 enhancement in federal funds from the Office of Domestic Preparedness is recommended, along with 12 limited service employees, to coordinate, train, and procure specialized equipment to implement a Department of Homeland Security Strategy. Through these federal grants Idaho will be a partner in the national effort to provide security to our homeland. Local jurisdictions throughout the state will receive funding to procure needed unique equipment and pay costs of increased security measures at critical infrastructure sites during heightened threat.

Budget Highlights

Public Employee Retirement System

- The Governor's recommendation includes one-time dedicated funds totaling \$2.8 million for a redesign of work flow and business processes in order to more effectively use current staff and available technology (includes implementing an imaging system). This project is a three-year phase plan.

Revenue and Taxation, Department of

Tax Commission, State

- In FY 2005, the Tax Commission will be working under a memorandum of understanding with Kootenai County to implement the county's new optional sales tax. The Governor's recommendation provides \$174,000 in additional spending authority to implement this program, thus eliminating an extra layer of government for Idaho citizens.
- The Governor's recommendation transfers approximately \$267,000 in dedicated funds and 4.5 positions from the Department of Transportation to the Tax Commission to consolidate the Motor Carrier Audit Program. This change has been in place under a memorandum of understanding since July 1, 2003 with great results and responses from citizens being audited in this field. This consolidation has improved efficiency and eliminated redundancy between the two agencies.

Public Safety

Idaho State Police

- \$141,300 in federal funding and two FTPs have been recommended to work under the guidance of the Chairman of the State Interoperability Executive Council to guide the development of a vision, plan and strategy to address a statewide interoperable communications platform. The goal is for first responders to be able to communicate effectively during a crisis with incident command personnel.
- \$560,000 in General Funds and \$849,700 in dedicated funds is recommended to fully equip 27 patrol cars and provide communications and safety equipment.
- The Governor's Methamphetamine Initiative, which started in FY 2000, has been held harmless from holdbacks and base reductions. In the base budget, there is \$327,000 in Personnel Costs and \$64,800 in Operating Expenditures for three investigators and three criminalists and \$111,000 in POST training Operating Expenditures. There is also \$214,700 for three investigators that was appropriated in FY 2002 on an ongoing basis as a result of the Governor's Methamphetamine Initiative. The program continues to interdict, dismantle, and disrupt drug trafficking organizations.

Health and Human Services

Catastrophic Health Care

- The mission of the Catastrophic Health Care Program is to meet the needs of the medically indigent in the State of Idaho who do not qualify for state or federal health and welfare programs, but do qualify for county assistance. Each county is responsible for the first \$10,000 in medical bills incurred by the indigent resident of that county in any 12-month period. The Catastrophic Health Care Program is responsible for medical bills during that 12-month period that are in excess of \$10,000. A one-time supplemental of \$4,000,000 is provided to meet the projected caseload.

Health and Welfare, Department of

- Supplemental – The Children's Health Insurance Program (CHIP) Access Card Program will provide insurance coverage to uninsured children for low-income families, beginning July 1, 2004. Funding in this supplemental provides \$2.5 million for information technology costs for the required computer system upgrades, \$25,000 for an advisory committee, and \$444,800 for an additional position to operate the program. Funding is annualized for FY 2005 for the additional position and \$6.8 million is provided for benefit payments.

- Funding is provided in the Medicaid Program to continue medical services for Idaho's most needy citizens. The projected enrollment for FY 2004 is 162,784 and is projected to increase to 170,982 in FY 2005. When CHIP B and Access card enrollees are included, the total enrollment for FY 2005 is expected to grow to 183,222.
- An inflationary increase of 5% is provided to increase the rate of reimbursement to family foster care providers. The increase is intended to bring the state's foster care payments to a level that is more in line with the national average and comparable to that of other states.

Education

Health Programs

- WWAMI – (Washington, Wyoming, Alaska, Montana, Idaho) Medical Education Program added two seats for the fourth and final year to expand the program from 64 to 72 total Idaho students.
- IDEP – (Idaho Dental Education Program) added an additional seat for the fourth and final year to expand the program from 28 to 32 total Idaho students.
- University of Utah Medical Education Program added two seats for fourth and final year to expand the program from 24 to 32 total Idaho students.

Public School Support

- Reading initiative - Due to the success of the reading initiative, fewer kids need assistance and therefore, funding needs have been reduced by \$500,000.
- Support unit growth has been fully funded.
- Discretionary funding was provided for employee salaries to be determined by local school districts.

Economic Development

Agriculture, Department of

- Federal grants to address noxious weeds have expanded to provide for the development of an ongoing program. Federal grant monies have also increased over time for brucellosis, Hotsprings snail, and animal emergency preparedness. Two new positions with related federal funding of \$135,200 are recommended.
- To improve technical support to the agriculture industry, the Governor recommends two new positions with related dedicated funding of \$323,900. One position will deal with ground and surface water protection efforts, while the other position will provide a more timely review of the feed and fertilizer program activities.

Commerce, Department of

- Due to budgetary constraints during FY 2003 and FY 2004, the Governor's Rural Development Initiative Program was reduced by approximately \$650,000. This budget restores funding back to \$3.9 million in FY 2005. This program provides grant funding for local economic development in rural communities and encourages local private sector participation.
- The Governor's recommended budget includes \$100,000 in General Funds for the creation of the Office of Science and Technology. This Office would be committed to the advancement of science, technology, and innovative economic development throughout the state.

Budget Highlights

Finance, Department of

- The Governor's recommendation includes funding for one new financial examiner/investigator position in an attempt to address a critical staff shortage in the Consumer Finance Bureau. As a result of last year's legislative session, HB 206 was passed which requires the Department to implement a separate licensing and examination procedure for the payday lenders in Idaho, effective July 1, 2003. In addition, a significant increase has occurred in the number of persons and companies regulated, and the need for examination of those companies.
- An increase of \$56,000 in operating expenses is recommended for the Department of Finance for an additional paralegal. This position will be assigned to the Department of Finance to assist with the significant increase in litigation cases and need for legal advice and services. The personnel expenses will be paid out of the General Fund and reimbursed through the statewide cost allocation plan (SWCAP) that exists for central services agencies.

Insurance, Department of

- The Governor's recommendation includes a FY 2004 supplemental to create a Medicare Education Partnership for the citizens of Idaho. This position will administer a federal grant that was awarded to the Office on Aging to provide the following services: educate beneficiaries in understanding and analyzing their Medicare billing information; teach how to organize medical bills; payments and visits; teach the steps to follow when a billing error is discovered; dispute Medicare charges; teach how to write appeals; and provide a liaison between the provider and beneficiary. The annual operating budget for this program is approximately \$50,000.
- Approximately \$70,000 is recommended to fund a prevention and education support position within the State Fire Marshall's Office. This position will enhance support to fire departments in the areas of prevention, education, and building plan reviews.

Self-Governing Agencies

Athletic Commission, State

- The Governor's recommendation provides for an annual budget of approximately \$45,000 in support of the Legislative Task Force recommendations on finding a new revenue source and a rewrite of the Commission's enabling legislation. This budget includes appropriation of \$12,000 to start to pay off the Commission's debt to other agencies, provided the new funding source materializes.

Building Safety, Division of

- The passage of Senate Bill 1133 during the 2003 Legislative Session resulted in the creation of the HVAC program within the Division of Building Safety. Licensing and permitting will be starting on or after July 1, 2004 and requires eight new clerical and inspector positions. There are currently three approved positions for the start-up of the Bureau with the rest of the staff being hired during FY 2005. The Governor's recommendation includes approximately \$838,000 in dedicated funds for implementing the new HVAC Bureau. This was previously an unregulated area with potential public safety problems.

Pharmacy, State Board of

- The Governor's recommendation includes \$49,000 in dedicated funds for a new tracking software system. This new system will allow the Board to track licenses for pharmaceutical resellers, pharmacists, and practitioners in Idaho. This system eliminated the need for an outside vendor, saving the Board approximately \$30,000 a year.

Veterans Services

- The Legislature approved FY 2004 maintenance and operation funding to cover a partial year for the Idaho State Veterans Cemetery. The Veterans Cemetery will be fully operational in FY 2005 and \$220,800 in additional spending authority is recommended. It is projected that receipts will cover the additional funding needs.

Transportation

- Federal spending authority in the amount of \$1,000,000 is being recommended to continue to channel funding to specific airports for improvements. In FY 2005, five airports will participate in the FAA's Non-Primary Entitlement Program: Buhl, Council, Homedale, Orofino, and Priest River.
- The Governor's recommendation includes the transfer in spending authority of \$252,500 and 4.50 positions to the Tax Commission. The consolidation of the motor carrier audit activities produced a cost reduction of \$161,300 in Personnel Costs and \$50,000 in Operating Expenditures, for a total of \$211,300 that will be transferred to the State Highway Account.
- \$1,000,000 in dedicated funds is recommended to accelerate the construction of sand sheds each year. The Idaho Transportation Department plans to construct an additional 10 sand sheds each year for the next four years. The sheds will provide safer working environments for maintenance employees, demonstrate a good faith effort to the Idaho Department of Environmental Quality to address salt contamination issues, and bring the Department into compliance with the National Pollutant Discharge Elimination System, Phase two regulations.

Natural Resources

Environmental Quality, Department of

- Idaho received an additional \$8.1 million in ongoing federal funds during FY 2004. Most of this money (\$7.3 million) is to expand Coeur d'Alene Basin cleanup activities. Another \$680,000 is to develop a "Brownfield's" state response program. A total of \$275,000 of this new federal money will be used to pick up funding for five existing positions that the Department lost General Funds for in the FY 2003 and FY 2004 budgets. The rest of these federal funds will be used for on the ground activities.

Fish and Game, Department of

- The overall recommendation provides a 3.8% increase over the current year appropriation. The dedicated License Fund is only going up \$208,800 or 0.6%. This is in keeping with the Commission's desire to delay the need for a license fee increase until 2006 or 2007. Most of the FY 2005 increases are in the Set-aside Fund (\$676,600 or 15.8%) and the Federal Fund (\$1,343,500 or 4.3%). There are a total of 14 recommended enhancements. Some of the key enhancements are listed below.
- The largest enhancement is \$1,337,100 in Federal and Set-aside Funds for fish screens and fishing access. Most of this money is one-time Capital Outlay to continue the anadromous fish screen program, and to improve current fishing sites as well as develop new salmon and steelhead fishing and boating access sites.
- \$765,500 in Federal and License Funds is provided to begin a two-year effort to renovate fishing opportunities at Cascade Reservoir.
- \$300,000 in License and Set-aside Funds is recommended for the Access Yes program. This is a new effort started by the Department during FY 2002 with reallocated resources. Its purpose is to compensate private landowners that allow access to their land for hunting, fishing and other wildlife based recreational activities on private land or for allowing trespass across their land in order to get to public land.
- \$505,000 in Federal Funds (provided through the Office of Species Conservation) is recommended to assist the Department in developing and implementing a statewide wolf management program as outlined in HB 294 (2003 session) and the Idaho Wolf Conservation and Management Plan.

Lands, Department of

- \$1,107,500 in Land Improvement Funds is recommended to hire 10 additional foresters to increase the annual timber harvest level on state land by 30 million board feet. The Department has determined that in order to improve the health of the state's forests, and to comply with its constitutional mandate to maximize the long-term financial gain to the state's endowments, it should increase the annual harvest by 30 million board feet for approximately 10 years.

Budget Highlights

- There is also \$144,000 in Land Improvement Funds to match \$96,000 in Permanent Building Funds requested in the Capital Budget for office expansions. This includes remodels of the Cataldo and Mica offices, and an office addition at the Payette Lakes office.

Lava Hot Springs Foundation

- The Governor's recommendation includes \$500,000 in dedicated funds to match funding from the Division of Public Works for the renovation of the dressing rooms at the hot pools. The project, originally funded in FY 2002 with permanent building funds, was included in the budget holdbacks in FY 2003

Water Resources, Department of

- There is \$456,400 in one-time Water Pollution Control Funds to pay the second of three installments for water right licenses and associated minimum stream flow claim-filing fees. This represents part of the remaining state's instream flow water rights to be adjudicated in the Snake River Basin Adjudication process. The total claim filing fee is \$1,521,200. Forty percent was paid in FY 2003. Another \$456,400 will be needed in FY 2006 to complete the payments. Water Pollution Control Funds have been identified to pay these expenses.
- \$142,100 in General Funds and \$26,000 in dedicated and other funds are provided to pay for the ongoing lease purchase costs at the Idaho Water Center. The Department expects to move into the Center in October 2004. An additional \$360,000 in dedicated and other funds are recommended for one-time moving costs.
- \$512,200 in Water Pollution Control Funds that the Department has used for the last two fiscal years to support six positions that would have otherwise been lost due to General Fund reductions are being removed due to the this fund's low cash flow situation. The recommendation provides \$122,100 in federal, dedicated and other funds to pick up funding two of the positions, and \$101,000 in General Funds to replace all of the \$101,000 in lost Operating Expenditures. This leaves \$289,100 in Personnel Costs for four positions in the Adjudication Program yet to be addressed. The Department has received \$250,000 from the Bureau of Reclamation for administering the Water Bank Program over the last two fiscal years. Allocating this money to its current year budget will free up \$250,000 in FY 2004 General Funds. The Governor recommends that the Department be given General Fund carryover authority for FY 2005, which will allow it to use these funds to replace most if not all of the \$289,100 in Water Pollution Control Funds being lost in the Adjudication Program. This is a one-year fix

Millennium Fund

- \$1,939,700 in Millennium Funds is recommended to fund programs with a tobacco prevention, cessation, and treatment emphasis. Funding is recommended for tobacco counter marketing (\$500,000), a statewide youth tobacco-free coalition (\$60,700), smoking cessation programs (\$515,000), juvenile prevention and diversion programs (\$270,000), and youth tobacco investigations (\$94,000). Funding in the amount of \$500,000 is also being provided to reduce county deductible payments in caring for indigent persons with tobacco-related cancers and respiratory diseases.